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SUBJECT: PUBLIC AFFAIRS INFLUENCE ANALYSIS FOR HONDURAS

REF: STATE 33359

1. (SBU) SUMMARY. Honduras is a small country of approximately 6.7 million people, 72 percent of them living on less than two dollars a day and almost 50 percent under the age of 18. A small, core group of related and associated economic and political elites¹, exercise effective control of business and government. They, along with institutions such as the Catholic Church, the National Congress, the two major political parties, some academic and civil society institutions, the media and, increasingly, the Supreme Court comprise the most influential groups. The majority of Hondurans have little or no influence on public policy, due to a lack of a democratic culture and weak civil society. A well publicized transparency survey prompted the National Congress to address major legal reforms to improve their poor public image. Hondurans are poorly educated with an average educational level of 5.3 grade years. The power of the media is tempered because many of these major elites own the key media outlets. There is an ineffective system of checks and balances, and laws are not applied equally or transparently. END SUMMARY

2. (SBU) THE PLAYERS: The upper crust of this elitist society consists of not more than a couple hundred interwoven families, some of whom came to Honduras from the Middle East at the turn of the century or during the First World War. This upper class is, for the most part, educated in the United States. For instance, the largest foreign student association at Louisiana State University (LSU) is the Honduran Student Association. Mississippi State University, Texas A&M, and many universities in Florida are favored destinations as well. Honduran matriculation in elite universities, such as Notre Dame or the Ivies, is limited. Honduran students prefer applied education in business administration or engineering to broad liberal arts study. The society is divided further along ethnic, class, and regional lines. The elite group of Hondurans wields the greatest influence in the country. The great majority of the upper class of Honduras, like all classes, lacks a democratic culture and takes for granted that their society is a spoils system. The elite does not take its civic and social responsibilities seriously and is an important target audience in Embassy efforts to introduce transparency in government, end corruption, improve the rule of law, increase progressive tax revenues, reduce poverty, improve primary education, and encourage the development of a middle class.

3. (SBU) The small middle class lacks the economic and political strength to resist the elitist policies of the dominant class and has in the past accommodated itself to upper class practices, such as nepotism, cronyism and other sources of corruption. The political and economic development of a more activist middle class group is essential to democracy, economic progress, transparency, and social progress. For this reason, they are an important target audience. The middle class is diminishing as poverty continues to grow and income gaps widen.

4. (U) Because of the high percentage of poverty throughout the country, there is a growing Honduran population that lives abroad, especially in the United States, and that produces more than eight hundred million dollars a year in remittances (remesas). These remesas are the single largest source of foreign currency for the Honduran national economy. For this reason, issues such as Temporary Protective Status (TPS) and visas are a constant concern of the government, the media and the general population. The population living in poverty, which includes many minorities, such as the small but numerous indigenous peoples groups and the Afro-Caribbean Garifuna community, has the least influence and the fewest available resources in education, employment, or health care. Minorities also suffer disproportionately from diseases such as HIV/AIDS, tuberculosis, and malaria, poor education, and under- and unemployment. They are more vulnerable to issues of interest to the U.S. such as illegal immigration, drug use, and smuggling, and trafficking in persons (TIP). The Mission actively works with these minority groups through

humanitarian, education, and aid projects.

15. (U) In many cases, it is more useful to deal directly with more responsive institutions, such as government, NGOs, labor unions, municipalities, universities, and the media. It is critical to direct significant amounts of financial and human resources to these alternative sources of power to induce change in the country. The judiciary receives a great deal of attention and U.S. government resources and is a high priority in Mission programming. Without a fair and transparent justice system, the country will remain mired in the corruption that has eroded confidence in the administration of the country regardless of the political party in power.

16. (U) There is another important population group that should not be neglected. Since half of the population is under 18, it is imperative to find ways to reach Honduran youth, many of whom are crowded into the poor urban areas of the country. Urban problems and youth unemployment are at the heart of the country's high crime rates, and much public investment is needed in the areas of economic opportunity and employment, public health, education, and recreation in the Honduran urban areas. The growing number of gangs is a reflection of the growing despair and problems confronting young men and women. Gangs and gang behavior are in part a reaction to the lack of employment opportunities and failure of public education in the country. Gangs are also part of the illegal immigration problem which has emerged in the shadow of the close ties between the United States and Honduras. While job creation has come to a standstill and economic growth has failed to keep pace with population growth - a situation exacerbated by a lack of a level playing field, poorly targeted investment, and a poor public education system, American popular youth culture is highly valued. Illegal immigration to the U.S. is high and is a serious bilateral concern, as some returning and deported immigrants have developed sophisticated means of organizing gangs while in the U.S.

17. (U) This is the context in which the media of Honduras functions. The media can play an important role in moving Honduras toward more constructive institutions and a more functional democracy. Yet, many journalists are hamstrung by low wages, the lack of social responsibility of the elites, and general habits of corruption, which affect media owners, business elites, and the government. Some journalists admit to self-censorship when their reporting threatens the political or economic interests of media owners. There have been highly publicized firings of journalists who dared to challenge the existing elite power structure.

18. (U) A small number of powerful business magnates with intersecting business interests, political loyalties, and family ties owns almost all the news media. For example, of the four national newspapers, a Liberal Party Congressman operates one, as well as a national TV station, and a former President (also from the Liberal Party) runs another. A wealthy businessman owns the other two. A wealthy businessman and Nationalist Party supporter owns the major national television channel. Besides the national TV and print media, there are national radio channels with large audiences and small independent TV stations at the local level. Smaller markets are covered sparsely by the national news media, so audiences there have to rely on their local cable channels for news of their area. Most news media do not maintain overseas correspondents, but there is a fair amount of international coverage through AP, EFE or other news services, and, in the case of TV, CNN Espanol. Finally, there is a fairly small but growing percent of the population that is accessing news on the Internet.

19. (U) This year's Mission Program Plan has six goal papers, not including Human Resources. We support these goals with appropriate resources as outlined below.

Goal 1. Democratic Systems and Practices. The Public Affairs Section (PAS) supports the efforts of the Political Section, USAID, and the Front Office through speakers, press statements, conferences, and briefings to develop Honduran democratic institutions, create more professional and capable Honduran law enforcement agencies and military to interdict drugs, fight organized crime, combat international terrorism, and strengthen justice sector institutions by reducing corruption, improving institutional capacity of courts, prosecutors, and public defenders, and promoting criminal and civil law reform. The primary audiences for programs under this goal are the government, human rights and other nongovernmental organizations, and the media. The Ambassador undertakes frequent press statements, interviews, and speeches on corruption, drug trafficking, and the need for an active and competent justice system. We will sponsor a speaker for an upcoming TIP conference, as we did last year. We also use AETN/DVC programs to address important audiences on these issues. We keep the Mission home page

updated with speeches and materials on these subjects, draft media reactions, and use IRC outreach to target audiences, including media, NGOs and government officials.

Goal 2. Economic Growth and Development. PAS provides assistance to USAID and the Economic Section to explain the importance of compliance with IMF program benchmarks and the poverty reduction strategy and to encourage greater understanding of macroeconomic stability and the need for an attractive investment climate, effective use of development finance, and the importance of the creation of a professional civil service. The primary audience for these programs is the government, Congressional deputies, municipalities, labor unions, business, and the general public. Program strategies include speeches by Economic Section officers and the Ambassador, press statements, briefings, Web page, outreach, and other programs, such as DVCs for targeted audiences.

Goal 3. Trade and Investment. PAS supports USDA, USAID, and the Economic Section in promoting the successful completion of the U.S.-Central America Free Trade Agreement (CAFTA), the Free Trade Area of the Americas (FTAA), the Doha agenda of the World Trade Organization (WTO), and Honduran support for trade liberalization in general. We have conducted and will continue to conduct a public diplomacy strategy to promote the benefits and opportunities of trade liberalization and curbing of monopolistic behavior through the International Visitors Program, U.S. speakers, outreach by the Information Resource Center, updates of the Mission Internet home page, speeches, and op-eds.

Goal 4. Close Ties with Allies and Friends. The Political Section and U.S. Military Group work with the government and military of Honduras to achieve productive relations with Honduras' Central American neighbors so that it can contribute to the international effort against terrorism, increase regional economic cooperation, and reach amicable settlement of border issues. PAS provides assistance on military and counterterrorism issues through support for speeches or press briefings by the Ambassador or other officials, through the IV program, and by providing outreach of relevant materials.

Goal 5. Assistance for U.S. Citizens Abroad. The Consular Section provides support and information to U.S. citizens and works with government officials on anti-illegal immigration/anti-terrorism measures. PAS supports Consular efforts to keep the Mission Web page and Consular Information Sheets updated. We also support outreach efforts, directed to U.S. citizens and Honduran visa applicants, including interviews, AETN/DVC programs, op-eds, and by editing and placing a monthly Consular Corner article in a national newspaper.

Goal 6. Mutual Understanding. PAS uses international exchanges to increase mutual understanding and build trust between Americans and Hondurans, promote understanding of domestic political and social realities that underpin American policy decision-making on issues such as immigration, CAFTA, homeland security, and drug interdiction, and encourage good governance and transparency. We provide U.S. speakers on shared social and political issues that impact Hondurans and promote public discussion of the importance of civil society and media participation in public policy on education, HIV/AIDS, youth-at-risk, public health and security issues. We support educational development through programs with libraries and museums and through cultural exchanges and grants and are working to establish a pilot program of teaching American History and American political topics to graduate students. We support the English language program as a means to economic and political development and promote educational exchanges throughout the country. We have also begun to direct PAS programs such as speakers and book donations to the most ignored and isolated population groups. In addition, we have been directing greater efforts to finding IV grantees and Fulbright students from more remote areas and marginalized groups such as the Garifunas and other indigenous and ethnic groups. We have worked with drug prevention and youth-at-risk programs implemented by both NGOs and governmental institutions. We will also continue to work closely with USAID to promote their programs that seek to build a democratic culture and to alleviate the rural poverty plaguing Honduras through good governance, health, education, agricultural development and environmental programs. The Embassy, through PAS, can highlight these needs and bring attention to the more successful projects of the government and NGOs in this area. On the press side, we support the Ambassador in his speeches, visits, briefings, interviews, place op-eds, and distribute materials through our press and IRC sections. We provide reporting on media trends and opinion. We are working with small media organizations to offer interviews and programs to these outlets whenever possible. The small TV stations in particular are interested in getting material and will run items of interest to their audiences in its

entirety.

Palmer

¹ I've never seen this phrase before. What is the source of it?